Eight Drug Officials Lose Jobs As U. S. Charges Nazi Plot

By the Associated Press Post 1/30/42

The Treasury yesterday dismissed eight high officials of the Schering Corporation, Bloomfield, N. J., and asserted that the action "smashed completely a long-range German scheme to control an important segment o fthe pharmaceutical market in the Western Hemisphere."

The Schering Corporation was described as an important manufacturer of antishock vaccines, hormones, sulfa compounds and other pharmaceutical products "essential to the war effort."

Acting under Presidential orders freezing German-controlled property in this country, the Treasury dismissed the eight officials, blocked their personal bank accounts and forbade any other employes of the corporation to communicate with them without Treasury consent.

Officials Named

The officials, their salaries, and alleged connections were:

Dr. Julius Weltzien, president, $60,000, formerly president of the Schering company in Berlin and subsidiaries in South America; Ernst Hammer, promotion manager, $22,000, formerly South American representative; Hans Erdmann, engineering director, $10,000, formerly chemical equipment designer in Berlin; Martin Bernhardt, legal adviser and comptroller, $9,400, former vice president of the German Schering company, and four lesser employes with German connections.

While the Treasury did not explain this point, it was understood Americans will be placed in charge of the company. At the same time, however, the Treasury announced it had refused permission for George Gallowhur, of New York City, to buy the controlling interest in the company. No reason was given.

Conducted Vital Research

The Treasury said that the company not only made drugs important to American defense but also was conducting "vital research" in its laboratories at Bloomfield which could be coordinated with scientific discoveries in other United Nations laboratories to help defeat the Axis.

"Heretofore," the Treasury said in a statement, "the United States Government has been unwilling to exchange pharmaceutical secrets with Schering Corporation in order to further development of vital drugs because it felt that important scientific discoveries might be made known to German agents and benefit the Axis."

The statement alleged that in 1933 the Schering Co. in Berlin "undertook a long-range scheme to maintain its world-wide economic position."

Part of this plan, allegedly ordered by Marshal Goering, was to disguise the German ownership of subsidiaries in other parts of the world by selling them to Swiss interests.